

Leslie Alan Glick
202-778-3022
lglick@porterwright.com

1919 Pennsylvania Avenue N.W.
Suite 500
Washington, DC 20006-3434

Facsimile: 202-778-3063
Toll Free: 800-456-7962

January 15, 2002

NON-CONFIDENTIAL

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Re: Imports of Certain Steel, Section 203 Investigation

Dear Ms. Blue:

As counsel and on behalf of Kern-Liebers USA, Inc. ("Kern-Liebers"), enclosed please find for filing with the Trade Policy Staff Committee ("TPSC"), comments regarding the exclusion for a certain product from the Section 203 investigation on Certain Steel being conducted by the U.S. Trade Representative ("USTR"). This submission is timely filed pursuant to the Federal Register notice published on December 28, 2001 regarding written comments on what action, if any, the President should take under Section 203 of the Trade Act of 1974 with regard to imports of Certain Steel. *See* 66 Fed. Reg. 67349 (USTR 2001). We will be sending a copy of this submission by facsimile to the USTR (202-395-9674), another copy via e-mail to FR0001@ustr.gov and another copy via first class mail.

We hereby object to the position of Schagrin Associates ("Schagrin"), counsel of the Minimill 201 Coalition (Flat Products); Gallating Steel Company; Geneva Steel Company; IPSCO Steel Inc.; Nucor Corp.; Rouge Steel Company; Steel Dynamics, Inc.; WCI Steel, Inc.; and Weirton Steel Corp, in their submission of December 7, 2001 to the USTR with respect to the non-exclusion of Textured Rolled Carbon Steel (X-013) ("TRC"). In their submission, Schagrin objected to the exclusion request for TRC submitted by AvestaPolarit Oy to the USTR on November 12, 2001. Kern-Liebers also submitted an exclusion request on November 12, 2001 to the USTR for the same product.

Schagrin filed an opposition to the exclusion of TRC completely without support or explanation. Schagrin simply stated that "domestic producers object to the exclusion of this product." Thus, the USTR should disregard such opposition. No reasoning or basis for this opposition was given. Schagrin did not state that their clients produced TRC. In fact, none of their clients produce TRC; thus, the USTR should disregard such opposition. At 5:30 p.m. on January 14, 2002, we were advised by counsel for AvestaPolarit that he was told by Schagrin that they plan to withdraw their objection.

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The public post-hearing brief on injury of the Association of Cold Rolled Strip Steel Producers submitted to the U.S. International Trade Commission (“ITC”) dated September 28, 2001, which represents **the only potential U.S. producer of this product**, stated that as to “Sorbitex and cold rolled textured strip steel for retractor springs. Theis Precision Steel is the only U.S. producer of cold rolled textured strip steel for these applications, but Theis does not object to excluding these products.” *Id.* at 10, footnote 13 (emphasis added.). *See* Exhibit A. The Association reiterated this same position in its brief to the ITC dated November 13, 2001, at 5, footnote 6. *See* Exhibit B.

On December 5, 2001, domestic producers represented by Dewey Ballantine and Skadden, Arps, Slate, Meagher & Flom LLP objected to the exclusion of TRC based on the alleged lack of information with respect to the product description. *See* Letter of Domestic Producers to Gloria Blue of USTR dated December 5, 2001 at p. 3 of Cold Rolled Exclusion requests. On December 13, 2001, Kern-Liebers sent a letter to counsel for the domestic producers, providing them with a complete product description of TRC and requesting them to withdraw their objection. The December 13, 2001 letter to counsel was exhibit B to Kern-Liebers’ December 20, 2001 submission to the USTR. Counsel to domestic producers advised that they are in the process of reviewing the information. Although we do not know their position at this time, we are hopeful that now that they have the technical information requested that they will withdraw their opposition to the exclusion of TRC.

In view of the fact that the only domestic producer of TRC does not object to the exclusion of TRC from remedy in this case, it would be anti-competitive for the domestic industry to oppose to such an exclusion. Therefore, we request that the USTR disregard the opposition of Schagrin with respect to TRC exclusion and grant the exclusion request.

Should you have any questions, please contact me at (202)778-3022.

Respectfully submitted,

Leslie Alan Glick

Enclosures

ADDUCI, MASTRIANI & SCHAUMBERG, L.L.P.

ATTORNEYS AT LAW

% / AMES ADD_ C1 11

LOL IS S %1 kSTRI ANI
T0%i %i SCHALMBERG
B -IRBARA A. NIL RPHN
HAR% EN'B. FOX
GREGORN C. kNTHES
STEN EN E. ADKINS
WILL E. LEONARD
JAMES TAYLOR, JR.
MICHAEL L. DO.kNE
CARIDAD BER_DLT*
MAUREEN F BROWNE
MICHAEL G. Mc.kl.kNL S'
DAVID F NICKEL*
SARAH E. HA.MBLIN*
I/ARK R. LEVENTHAL
-1D%t=D T~ A.B.-AuI HER 7.RVN D,7

1200 SEVENTEENTH STREET, N W
WASHINGTON, D.C. 20036
Telephone- (202) 467-6300
Facsimile: (202) 466-2006
e-mail: ams(aadduci.com
www.adduci.com

OF COL\SEL

ROBERT A A ESTERL, \ D
RAN %10\ D H I POKk ELL. ~R
PHILIP L ROBI/S
JOHN C STEMERGER

September 28, 2001

PUBLIC DOCUMENT

VIA HAND DELIVERY

Donna R. Koehnke, Secretary
U.S. International Trade Commission
500 E Street, S.W.
Room 112
Washington, D.C. 20436

Re: Certain Steel Products, Inv. No. TA-201-73

Dear Ms. Koehnke:

Pursuant to the Scheduling of Public Hearing for the Injury Phase of the Investigation, 66 Fed. Reg. 46,469, (September 5, 2001) as amended by, Change in Scheduled Date for Posthearing Briefs on Injury, 66 Fed. Reg. 47,686 (September 13, 2001), we hereby submit our posthearing brief in the above-referenced investigation

on behalf of the Association of Cold Rolled Strip Steel Producers ("ACRSSP"). Because this brief contains no Business the requests, SAGA has chosen to place what limited specificity it did provide in the confidential attachment to the brief, which prevents U.S. producers from making an informed response as to the legitimacy of the requests. At a minimum, SAGA should be required to declassify the detailed specifications of these requests to facilitate discussion of these requests.

Although the sixteen items listed in the footnote on page 9 of SAGA's brief lack proper identification of the specifications, they can all be produced domestically. Theis Precision Steel has the capability and capacity to produce items 1-7 and 10-16. Thompson Steel has both the capability and the capacity to produce items 4-16. In fact every member of the Association, as well as other U.S. producers, manufactures items 12-16, SAE Grades 1074, 1065, 1045, 1006 and 1008. Specifically, Blair, Ceda Mills, Cold Metal Products, Duferco, Rome, Steel Tech, Stripco, Thomas, Thompson, Theis, Whittar, Worthington and Zapp all produce these grades on a regular basis.

The Association's position regarding certain individual requests is set forth below, although the absence of a statement on any individual product should not be taken as consent to exclude the products.¹³ The Association has attempted to collect information on all the requests, but that process is ongoing.

1. With regard to cold rolled strip steel for measuring tapes (No. 3), this product is produced in the U.S. by Cold Metal Products, Zapp USA,

¹³ One exception is the first two products on SAGA's list: Sorbitex and cold-rolled textured strip steel for retractor springs. Theis Precision Steel is the only U.S. producer of cold-rolled textured strip steel for these applications, but Theis does not object to excluding these products.

EXHIBIT B

(non-confidential)

ADDUCI, MASTRIANI & SCHAUMBERG, L.L.P.

ATTORNEYS AT LAW

V. JAMES ADDUCI 11
LOUIS S. MASTRIANI
TOM M. SCHAUMBERG
BARBARA A. MURPHY
HARVEY B. FOX
GREGORY C. ANTHERS
STEVEN E. ADKINS
WILL E. LEONARD
JAMES TAYLOR, JR.
MICHAEL L. DOANE
CARIDAD BERDUT*
MAUREEN F. BROWNE
MICHAEL G. McMANUS*
DAVID F. NICKEL*
SARAH E. HAMBLIN*
MARK R. LEVENTHAL

-ADMn7ID TO A BAR OTHER TMN DC

1200 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036
Telephone: (202) 467-6300
Facsimile: (202) 466-2006
e-mail: ams@adduci.com
www.adduci.com

OF COUNSEL

ROBERT A. WESTERLUND
P_KYMOND H.J. POWELL, JR.*
PHILIP L. ROBINS
JOHN C. STEINBERGER

November 13, 2001

PUBLIC DOCUMENT

VIA HAND DELIVERY

Donna R. Koehnke, Secretary
U.S. International Trade Commission
500 E Street, S.W.
Room 112
Washington, D.C. 20436

Re: Certain Steel Products, Inv. No. TA-201-73

Dear Ms. Koehnke:

Pursuant to the Scheduling of Public Hearing for the Remedy Phase of the Investigation, 66 Fed. Reg. 54285 (October 26, 2001), we hereby submit our

posthearing brief in the above-referenced investigation on behalf of the Association of Cold Rolled Strip Steel Producers. Because this brief contains no Business Proprietary Information, only a public version of the brief will be filed.

A. SAGA's Exclusion Requests Should Be Denied

In its remedy prehearing brief, SAGA requests that 54 cold-rolled products be excluded. The Association opposes 49 of these 54 products being excluded from this investigation.⁶ The Association has already opposed, in its injury posthearing brief, 47 of these 49 products being excluded from this investigation. The Association now opposes two more product exclusion requests. Specifically, in its remedy prehearing brief, SAGA lists two additional products that it wants excluded from this investigation: band knife steel (#53 and flat wire {#54). The Association opposes exclusion of these products from the investigation because both products are produced domestically by members of the Association, including Thompson Steel Company, Inc. and Theis Precision Steel Corporation.

The Association also takes issue with the fact that SAGA bases many of its product exclusion requests on its assertion that it believes that a certain product that it wants excluded "is not made in the United States" or that there is "no U.S. producer" for a certain product that it wants excluded. See, e.g., #'s 3, 5, 10, 15, 16, 17, 21, 28, 35, 36, 37, 38, 49, 50, 51, and 53 of SAGA's Specific Exclusion Request list, attached to SAGA's remedy prehearing brief. Without SAGA providing public information and specifications about these and other products, it becomes nearly impossible for Association members to prove that they do make the products that

⁶ The Association does not oppose excluding (1) texture rolled steel strip (SORBITEX) #23) on SAGA's Specific Exclusion Request list, attached to SAGA's remedy prehearing brief), (2) cold rolled texture strip steel for retracting springs {#27} and (3) ski edge profile (#31, and (4) bonderband (#39) from this investigation. Counsel for the Association is in the process of collecting information on finally annealed electrical steel strip {331.}